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Mt Marion Lithium Project Offtake and Equity Investment

Execution of formal documents

HIGHLIGHTS

- **Formal agreements for Ganfeng's equity investment in Mount Marion Lithium Project and offtake arrangements with RIM signed.**
- **Financial close expected early October, subject to Ganfeng receiving shareholder approval and Jiangxi Provincial Government approval.**

Neometals Ltd (ASX: NMT) ("Neometals") and Mineral Resources Limited (ASX: MIN) ("MIN" – via its wholly owned subsidiary Process Minerals International Pty Ltd ("PMI")) are pleased to advise that they and their jointly owned subsidiary Reed Industrial Minerals Pty Ltd ("RIM") have today entered into formal agreements with China's second largest lithium producer, Jiangxi Ganfeng Lithium Co. Ltd ("Ganfeng"), in respect of Ganfeng's equity investment in the Mount Marion Lithium Project ("Project").

The terms of the equity investment and offtake arrangements are consistent with the binding Memorandum of Understanding between the parties, as announced to the ASX by Neometals and MIN on 16 July 2015.

The parties have entered into a formal Share Sale, Subscription and Option Agreement for the equity investment in RIM by Ganfeng. At financial close, the parties will enter into the formal Shareholders Agreement and RIM will enter into the formal Offtake Agreement with Ganfeng and the Mining Services Agreement with MIN for the construction and operation of the Mount Marion Lithium Project on a Build–Own–Operate basis (the agreed forms of these Agreements form annexures to the Share Sale, Subscription and Option Agreement).

Construction of the Project is scheduled to commence immediately following financial close, with first production expected by mid-2016. The plant has been designed to produce in excess of 200,000 tpa of chemical grade spodumene concentrate.

The formal agreements remain conditional upon Ganfeng receiving approval of the transaction from the Jiangxi Provincial Government, which is due to be completed within the next week, and from its shareholders, which is being held today. Subject to these conditions, financial close of the transaction is due to occur in early October 2015.

Chris Reed, Neometals Managing Director commented:

"The successful completion of formal agreements with our new partner, Ganfeng, is an exciting milestone for the future of the Mt Marion Project. We look forward to the final conditions of the agreements being completed, at which point the project will move into the construction phase.

ENDS

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